Annual Report 2001 -2002

Alberta
AGRICULTURE, FOOD AND
RURAL DEVELOPMENT

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ALBERTA
DEPUTY PREMIER
MINISTER OF AGRICULTURE, FOOD AND RURAL DEVELOPMENT

November 6, 2003

To the Lieutenant-Governor in Council
Province of Alberta

Your Honour:

I have the pleasure to submit herewith the Annual Report of the Alberta Agricultural Products Marketing Council for the fiscal year ending March 31, 2002 in accordance with the provisions of the *Marketing of Agricultural Products Act.*

Yours sincerely,

Shirley McClellan
Deputy Premier and Minister

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Chairman's Report

As chairman of Marketing Council, I am pleased to present an overview of Council's activities for the 2001 – 2002 fiscal year.

Council and each of the boards and commissions in Alberta continue to reap the rewards of open and productive communication. Working groups, comprised of representatives from the commodity organizations, Marketing Council members and staff, have proven to be an effective way to conduct the government legislated regulatory reviews and to provide a sounding board to discuss other issues.

In 2001, regulations for the Alberta Chicken Producers, Alberta Hatching Egg Producers, Alberta Sheep and Wool Commission and the Alberta Pork Producers' Development Corporation were reviewed for effectiveness and relevancy. All the reviews scheduled for 2001 were completed on time. In addition to the required regulatory reviews, Marketing Council assisted the Potato Growers of Alberta with a regulation amendment to reduce the service charge on seed potatoes. In June, Marketing Council approved of and recommended that Alberta signatories sign the new Federal-Provincial Agreement for chicken.

In February 2001, Marketing Council conducted a plebiscite for the pork producers. They voted 73 percent in favour of revising their legislation to separate Alberta Pork and the Western Hog Exchange. On August 1, 2001, the Alberta Pork Producers' Development Corporation moved from a marketing board to a commission.

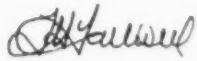
Three Council members and two staff members served on the resource group of the dairy industry governance team. The team recommended that the dairy industry be re-structured as a producer-elected marketing board under the *Marketing of Agricultural Products Act*, with processors involved through an advisory committee and a negotiating agency. Marketing Council lent support to the process by conducting the election of a producer delegate body in March 2001, guiding the development of the plan and negotiating agency regulations and participating in industry consultation meetings. Pending the outcome of a plebiscite planned for May 2002, the target date to have a new governance structure in place is August 1, 2002.

In January 2002, elk producers voted 96 percent in favor of forming a refundable commission. The working group has started to develop a plan regulation and strategic plan with the goal of having a commission in place before the end of 2002.

Marketing Council bid farewell to John Richter, George Schoepp and Rod Bradshaw and welcomed Klaas Slomp, Ken Jersch and Reg Ference as new members to Council. Laurence Hogg and Keith Porter completed their terms on the Appeal Tribunal. Curtis Vesely and Marvin Moore were appointed in October 2001 to fill the two vacancies on the Appeal Tribunal. No appeals were heard in 2001 – 2002. Brent McEwan joined Marketing Council as acting general manager from June 2001 to February 2002 while Christine Anderson was away on maternity leave.

Marketing Council continued to refine its policy/orientation manual and strategic plan. The first issue of the Council Connection newsletter was published in the spring of 2001, the website was expanded and a successful board governance workshop was offered for the boards and commissions.

On behalf of Marketing Council, I would like to thank the Minister of Agriculture, Food and Rural Development for her continued support and guidance. Also, as Chairman, I would like to extend my sincere gratitude to Council members and staff for their work and dedication to the agriculture and agri-food industry in Alberta.



Frank Fallwell, Chairman

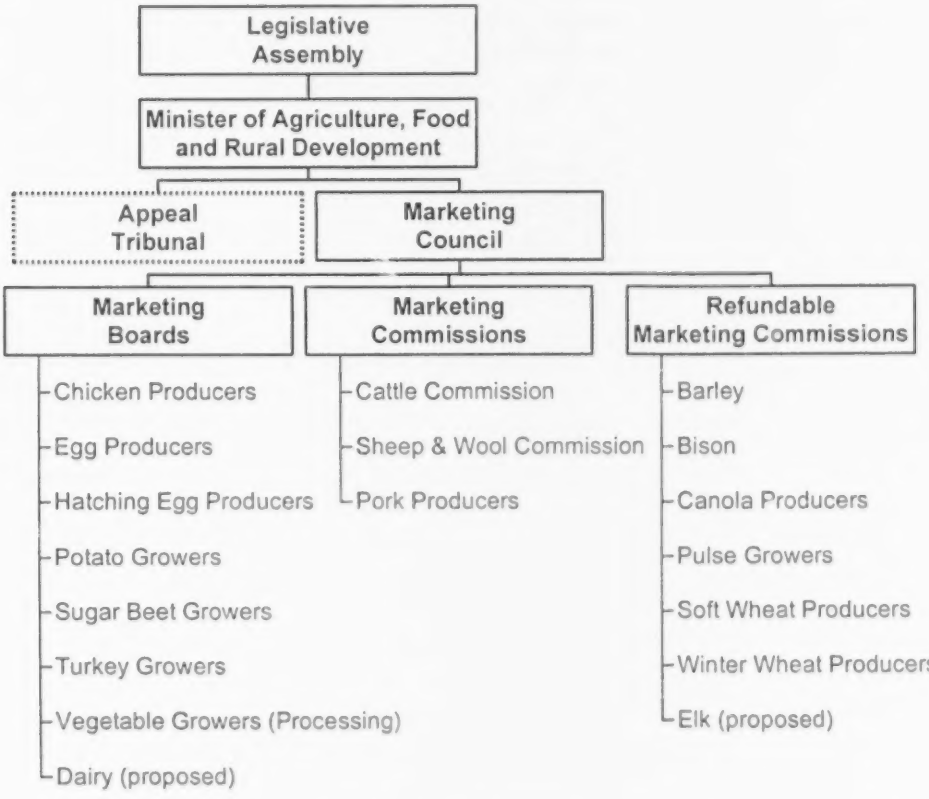
A Brief History of Council

Established in 1965 by the *Marketing of Agricultural Products Act*, the Alberta Agricultural Products Marketing Council is charged with facilitating the establishment and supervising the operations of agricultural marketing boards and commissions.

Currently, there are 16 producer boards or commissions under the Act and two new proposed commissions. The organizational chart (see below) lists those groups and outlines their primary areas of responsibility. Powers of the individual boards vary with the needs of the commodity group it serves.

The Alberta Agricultural Products Marketing Council has a liaison role between the province and the national council. The National Farm Products Council (NFPC) oversees the operations of agencies with national marketing plans.

Alberta Agricultural Products Marketing Council



Council's Vision, Mission, Goals and Mandate

Vision Statement

We are a council committed to working in partnership with others to meet the challenges of achieving a world-class agriculture and food industry.

Mission Statement

Our mission, in administering the legislation, is to enable commodity organizations to assist their industry to be more profitable and globally competitive in Alberta's expanding agriculture and food sector.

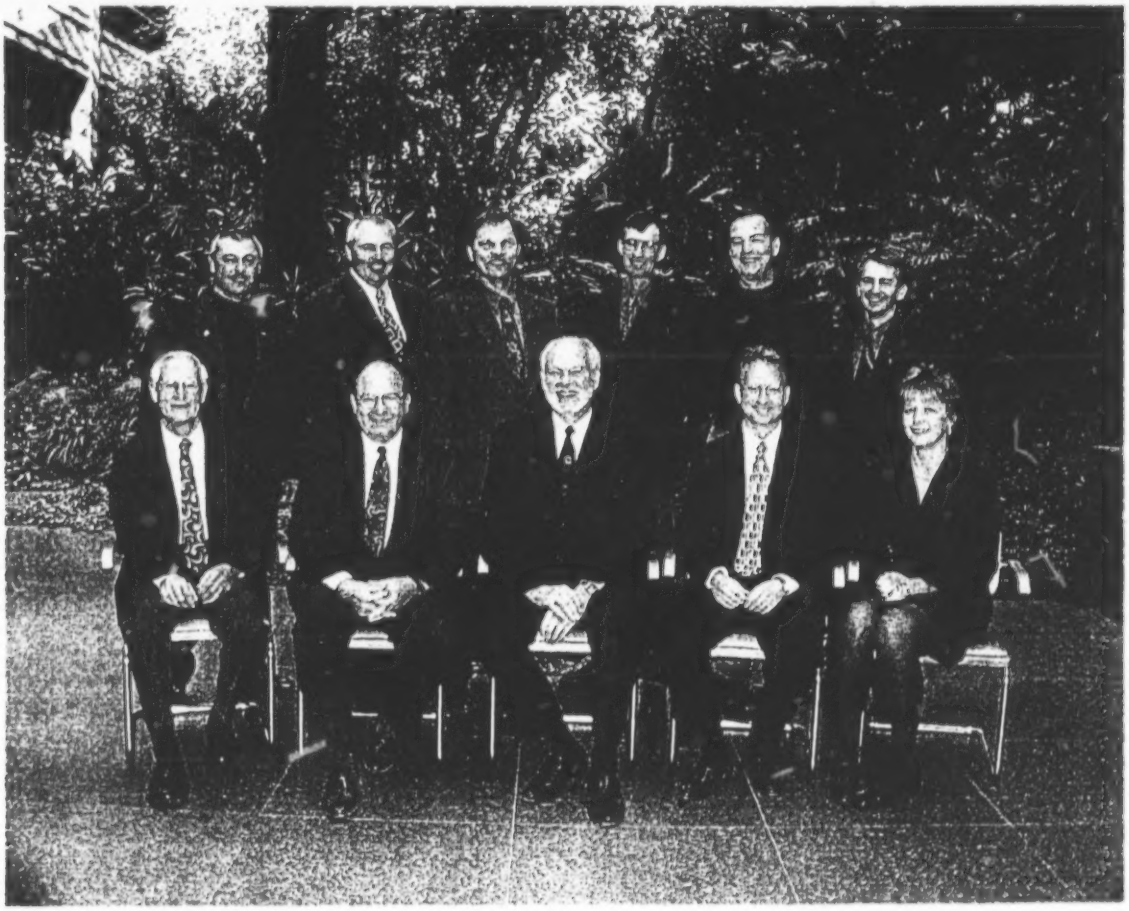
Goals

1. Effective working relationships.
2. Effective council boards and commissions.
3. A growing and viable agriculture and food sector.

Mandate

- Advise the Minister on matters relating to establishment, operations and control of agricultural boards and commissions
- Conduct plebiscites or votes on the establishment, amendment or termination of the Plan Regulation that governs boards and commission
- Review draft Plan Regulation submissions and determine if public hearings or meetings will be heard regarding the proposed governance structure
- Supervise the operations of boards and commissions
- Administer the regulations under the *Marketing of Agricultural Products Act*

Agricultural Products Marketing Council



Back Row (left to right) Denis Martin, Rod Bradshaw, Ron Sutka, Dean Hollingworth, Len Fullen – Manager of Projects and Policy, Mike Pearson – Manager of Corporate Affairs

Front Row (left to right) George Schoepp, John Richter, Frank Fallwell – Chairman, Brent McEwan – Acting General Manager, Marilynn Boehm – Department Representative

Alberta Barley Commission

The Alberta Barley Commission (ABC) is an organization funded, directed and controlled by Alberta barley farmers. The commission was established on August 1, 1991 with a mandate to coordinate and sponsor research, market development, technology transfer and policy development on behalf of barley producers. It is the only barley commission in Canada.

The board of directors consists of six barley producers elected from the six regions of the province as well as three directors elected-at-large. Barley farmers support the work of the Commission through a refundable check-off of 40 cents per tonne of barley sold. These funds are held "in trust" for a period of six months before being taken into income. The commission has established a reserve to provide funding continuity and alleviate fluctuations in revenues caused by annual variations in production.

Actual production of barley in Alberta in the 2000 - 2001 crop year was 5.4 million tonnes, down 10 percent from 1999, and at its lowest level since 1992. Although the number of acres planted to barley increased by approximately 5 percent, the severe drought conditions in southern Alberta significantly decreased the average yield.

Feed barley prices remained relatively low for most of the year, primarily the result of a glut of alternative feed grains, such as corn, on world markets. As a result of drought conditions across Canada and many other parts of the world, Lethbridge feed barley prices ranged from $107 per tonne at the beginning of the year and increased to approximately $160 per tonne near the close in July. Malt barley prices ranged between $126 per tonne to $156 per tonne compared to $133 to $143 in 1999-2000, a modest increase of approximately 2 percent.

The ABC played a leading role in the development and launch of the Grain Growers of Canada (GGC) in June 2000. This country-wide organization represents grain producers and the major grain producer organizations in Canada. Their mandate is to lobby federal government and provide a unified voice at various international forums.

The commission commenced two new initiatives: supporting the development and enhancement of technological capacity for processing crops in Alberta and pursuing the commercialization of a specific fractionation technology developed at the University of Alberta.

A positive image of the barley industry is promoted by extensive information on the website www.albertabarley.com and through a quarterly newsletter, *Barley Country*.

This year marked the tenth anniversary of the ABC. Apart from its ongoing commitment to providing substantial financial support to barley research programs and projects, the ABC has also supported barley variety demonstrations and has carried out a yield and quality competitions each year. The ABC has also been a sponsor of the Agriculture in the Classroom educational programs, as well as a sponsor of seminars for grain producers. It has participated in trade shows and become a member of key trade organizations.

Alberta Bison Commission

The Alberta Bison Commission (ABC) is a producer-run, provincially regulated commission that was set up to develop markets and promote the bison industry and bison products.

The ABC has come a long way since its inception in August 2000. Nine board members were elected at its inaugural annual general meeting in March 2001. The board identified strategic initiatives for 2001 and hired an executive director to implement the plan.

Increasing awareness of the bison industry and promoting buffalo meat as a healthy meat alternative was a main focus for the industry during the past year. Demonstrations and sampling programs were offered at the Calgary Stampede and trade shows such as Arfex, Agri-Trade and Food Fest. The ABC supported the Edmonton Buffalo Project in support of the World Athletic Championships. The commission also sponsored several events such as the Edmonton United Way BBQ, Rodeo Round Up Luncheon, Grande Prairie Chamber Event, Ukrainian Village Harvest of the Past, Japanese Marathon Team Luncheon and the Old Strathcona Summer Parade.

To complement these promotional events, the commission developed a merchandising program and printed promotional materials such as posters, tent cards, recipe cards, brochures and clothing items.

The commission participated in a series of meetings to streamline activities between the Bison Centre of Excellence, Alberta Bison Association and the Peace Country Bison Association. Memberships were purchased on behalf of all producers in the Alberta Food Processors Association, Alberta Restaurant and Food Services Association and the Peace Country Value-Added Food and Ag Association.

Funding to support marketing initiatives comes from a service charge applied to identification tag sales. The ABC is the only organization legally allowed to distribute identification tags for bison. The tags are part of the Canadian Cattle Identification Program designed to ensure the efficient trace-back and containment of serious animal health and food safety problems.

The ABC focused its efforts on domestic markets, primarily Alberta and western Canada, and worked with the Canadian Bison Marketing Commission (CBMC) on national, international and export markets. The ABC supported the CBMC by sending over $84,000 to the CBMC to be used for national marketing initiatives. The two organizations worked to implement the National Quality Assurance Program that would set a standard for bison meat marketing through the program. The program focuses on standards for hormone free production, inspected meat and CCIA tag compliance.

A Farm Direct Marketing Program was started to assist producers interested in direct marketing to get their product to market in a safe and professional manner. The ABC developed a bison industry database that includes all producers, related industries, media and government. Additional support is provided to the producers with the creation of a feeder bull registry.

Information was communicated to producers and to the industry by a joint newsletter with the ABC and PCBA, a bi-weekly electronic newsletter, news releases, articles in trade magazines and producer meetings. Information was also available on its website at www.bisoncentre.com.

Alberta Canola Producers Commission

The Alberta Canola Producers Commission (ACPC) develops and implements projects and programs to increase and improve the production and marketing of canola. It also informs producers and advises governments on matters concerning the canola industry.

Production and quality were lower than anticipated due to the multiple frosts and cool spring temperatures. But as the year progressed, the increased demand for canola oil gave the market the boost it needed to get over the $300/tonne mark. A carryover of approximately 500,000 tonnes, added to 2001 crop of 2.154 million metric tonnes, netted greater than anticipated revenues for the commission.

The largest portion of what the commission does is fund research projects aimed at increasing grower returns. Total research expenditures accounted for 46 percent of total commission expenditures. Funding guidelines are based on the goals of increasing the profitability of canola production, increasing the availability of superior germ plasm and canola varieties, ensuring that research results are communicated to growers and increasing the utilization of canola.

Co-ordination and matching of research funding is essential to the commission's research efforts. The ACPC is a member of the Canola Council of Canada's Canola Agronomic Research Program, and this program allows the ACPC to participate in research efforts across Canada.

The commission is a member of the Canadian Canola Growers Association (CCGA). While historically, the CCGA only administered the cash advance program for canola, this past year the CCGA re-positioned itself to represent canola growers at the national level on policy matters. The CCGA is represented on the national Safety Net Advisory Committee and is a member of the Grain Growers of Canada. By working through the CCGA, the canola growers can send a common, consistent message to the federal government on canola related issues.

The ACPC became involved with other canola growers' organizations on the prairies and the Canola Council of Canada to form the Grower Activity Forum. The forum plans and carries out projects on a national and international scope to increase demand and market share of canola oil and meal, through fostering increased public awareness of the healthful attributes of canola oil.

Another example of the collaborative philosophy of the ACPC was its joint effort with the Alberta Conservation Tillage Society to sponsor FarmTech 2001. Over 600 delegates attended the conference to learn the latest in agronomic practices and management conservation techniques.

Though its partnership with other canola commissions in the prairies and the Canola Council of Canada, the ACPC as part of the CanolaInfo team was involved with several national conferences and trade shows to promote the health benefits of canola and increase awareness of canola production and its role in society.

The website, www.canola.ab.ca supplies information about production methods, current futures, cash price quotes and industry events.

Alberta Cattle Commission

The Alberta Cattle Commission (ACC) advances the economic well-being of Alberta cattle producers by lobbying government, improving the industry's image, promoting beef to consumers, liaising with producers and providing industry programs and services.

The ACC is governed by a board of directors elected from nine zones in the province. Beef production is Alberta's largest agricultural sector and provides almost half of Alberta's farm production income. Alberta feedlots finished 70 percent of the cattle in Canada. Although this past winter saw record high prices for finished cattle, drought conditions over much of the province and lack of feed are expected to force herd size reductions in the coming year.

The commission is funded by a service charge of $2.00 per head levied on cattle marketed in Alberta. A portion of the service charge collected is submitted to the National Beef Cattle Research, Market Development and Promotion Agency. This agency is responsible for the distribution of the funds to the Beef Cattle Research Council, the Beef Information Centre and the Canada Beef Export Federation, based on an allocation determined annually by the ACC.

Based on ACC recommendations from an annual meeting resolution, NISA was approved for Alberta cattle producers. The ACC made a submission supporting the three percent interest bonus for reinvestment into research and development, mandatory withdrawals when a payment is triggered, and that NISA be the first line of defense for producers when there is an income deficiency.

The ACC's new strategic plan, *Beef in the New Millennium* was completed. As recommended by a government affairs subcommittee, each zone appointed a "political intelligence officer" to work on regional government relations. A cattle feeder council was also created. The council, comprised of one representative from each zone and three representatives from the Alberta Cattle Feeders' Association, advises the ACC on issues pertaining to the feeding sector of the industry.

The ACC pushed for a new coordinated beef marketing strategy to better plan for the future and be more accountable to producers. The idea was well received within the industry and as a result, a new Global Beef Marketing Strategy received approval from the Canadian Cattlemen's Association. The new strategy ushers in a more coordinated approach between the Beef Information Centre (responsible for domestic beef marketing), the Canada Beef Export Federation (responsible for marketing beef in Asia and Mexico) and Beef Marketing Services International (develops branded programs to promote the sale of Canadian beef to the United States).

An outbreak of foot-and-mouth disease around the world raised the level of awareness of foreign animal diseases and the importance of having a prevention program and a national herd identification program. Overall acceptance of the program, which started in January 1, 2001, was very good, with demand for tags sometimes exceeding supply.

The ACC initiated a pilot project on industry reputation management and media monitoring. This project, to be evaluated after the first year of operation, was started to be able to better respond to negative portrayal of the industry. The Alberta beef promotion and advertising campaign was enhanced with the introduction of the RancHERs and development of a new beef logo. The ACC was a national sponsor of the World Championships in Athletics in Edmonton, the third largest sporting event in the world.

Alberta Chicken Producers

The Alberta Chicken Producers (ACP) regulates the production of chicken, allots production and marketing quotas and represents producers at national agency meetings. Their mission is to serve their customers by providing an environment for profitable chicken production and encouraging a competitive, consumer-focused chicken industry.

The industry continued to see growth in 2001. Production was 115,367,358 kg (live weight), an increase of 4.4 percent over the previous year. The New Market Development Quota was increased by 2 percent, from 6,897,638 kg to 7,036,249 kg (live weight). From December 2000 to November 2001, 16 new growers entered the industry compared to eight in the previous year. There were 13 new further processed products developed in 2001, as compared to 12 in 2000.

The Board included representatives from the two processors in their strategic planning process. Four priorities agreed on for the 2001-2002 year included implementation of the On-Farm Food Safety Assurance Program (OFFSAP), continued development of an Industry Long-Term Growth Plan, elimination of unnecessary industry costs wherever possible and development of new market opportunities/value chains.

Although the goal for OFFSAP certification was not achieved by November 2001, the ACP joined forces with other agencies and were able to obtain funding from the Alberta Livestock Industry Development Fund to hire a food safety program manager to assist with producer validation. An electronic communications system was implemented to help producers with their On-Farm Food Safety Assurance Program.

In July 2001, a renewed Federal-Provincial Agreement was finalized, no small feat considering over 30 signatures were needed from federal and provincial ministers of agriculture, federal and provincial supervisory boards, the Chicken Farmers of Canada (CFC) and the provincial chicken boards. The CFC is continuing to work on the monitoring and enforcement issue to finalize rules to put the plan into action.

Research projects were approved based on research priorities established by industry stakeholders. The Alberta Agricultural Research Institute, private companies and the ACP will be funding projects valued at $422,132 for the upcoming year. This year saw the groundwork laid for the Canadian Poultry Research Council, with representation from all four national feather agencies and the Canadian Poultry and Egg Processors Council.

The Classroom Agriculture Program was a great success this past year, with presentations made to over 25,000 students. The ACP comic books and the new video "It All Starts at the Farm" were popular with students, teachers and volunteers. The ACP partnered again with the Alberta Turkey Producers at several fairs and conferences to promote the industry through displays, information sheets, comic books and recipes.

A new logo, a stylized illustration of a chicken, was introduced to communicate a fresh, progressive image for both producers and quality chicken products.

Alberta Egg Producers Board

The Alberta Egg Producers Board (AEPB) stabilizes the egg industry against extreme fluctuations in price, improves the monetary returns to producers, monitors the quality of eggs, improves productivity through research and encourages consumption of fresh eggs.

In 2001, there were 169 registered producers and flock size averaged 9,500 hens. Total egg production was 38,254,346 dozen, up from 36,712,632 dozen in 2000. Producer prices ranged from a high of $1.47 to a low of $1.40 for large eggs. The average producer price was up $0.08 in 2001, to $1.44 from $1.36 in 2000. The levy for registered producers, $6.00 per bird and $0.25 per dozen eggs for unregistered producers, decreased slightly at the end of 2001.

Although production was up, Alberta's continued population growth added more stress on an already inadequate supply of Alberta eggs to meet the province's table and processing market needs. Quota allocation remains the single most critical issue in relations among all provincial egg affiliates.

A major initiative of the board was implementing a new governance model, with the board concentrating on "directing and protecting" the organization, and the staff charged with administering the operational functions. The board developed polices, clarified roles and responsibilities and identified "checks and balances" needed to ensure producers' interests are well looked after.

Through the Start Clean – Stay Clean program, producers continued to be a leader in on-farm food safety practices, proving their dedication to providing consumers with top quality eggs that meet the highest food safety standards. Although the confined feeding operations legislation, which took effect January 1, 2002, is aimed primarily at new or expanding confined feeding operations such as feedlots, egg producers recognized the need to develop good manure management practices.

Animal welfare continues to be a growing concern for consumers, fueled by such fast food giants such as McDonalds and Burger King who have included conditions on how animals are raised as part of their purchasing criterion. This has required the Alberta egg industry to be even more proactive than usual in making improvements in on-farm animal husbandry practices and consumer education. The board will continue its research funding and consumer education to help retain its label as an animal welfare leader in Canada's egg industry.

At the national level, the AEP participated in on-going discussions to renew the Federal-Provincial Agreement. The egg industry worked closely with other national supply management organizations to lobby government for continued support of supply management at the international level.

A significant achievement in the past year was an agreement with the Heart and Stroke Foundation to allow the "Health Check" symbol to be used on egg cartons and on promotional literature.

An extensive marketing and promotion program included sponsorship of events, development of resource listing for teachers and health professionals, displays and recipe demonstrations, and advertising promotions through television and print media. The Alberta Egg Producers successfully launched "An EGGcellent Journey," an interactive, high-tech display to teach consumers about the journey of the egg from the barn to the kitchen, safety, egg quality, nutrition, and humane animal treatment.

The website www.eggs.ab.ca was awarded a Lightspan Educational Award and other organizations have asked to use information on the website for their own websites.

Alberta Hatching Egg Producers

The Alberta Hatching Egg Producers (AHEP) regulates the production of hatching eggs, negotiates prices paid to producers, allots production and marketing quotas and represents producers at national agency meetings.

Although producer numbers have declined, producers are continually expanding and upgrading their facilities. Average farm numbers over 19 years decreased by 26 percent. In the same period, average farm size increased by 74 percent and the effective provincial allocation has increased by 69 percent.

Pricing was very stable in 2001, with four minor changes occurring throughout the year. In 2001, only one allocation adjustment occurred, an upward global provincial adjustment of 6 percent. Discussions will continue towards developing intermediate and long-term mechanisms for resolving the balance of supply of broiler hatching eggs amongst the hatcheries.

Quality issues continued to be a major activity of the AHEP. The Alberta Hatching Egg Producers Quality Committee was established to provide leadership, guidance and authority for improvement of performance throughout the broiler breeder industry. The committee consists of representatives from hatching egg producers, broiler chicken growers, hatcheries, the University of Alberta and a poultry veterinarian. The committee is responsible for the integration, coordination and communication of quality performance improvement recommendations.

In 2001, considerable effort was put forth by the four poultry boards (hatching eggs, chicken, eggs and turkey) for an adjustment to the current municipal tax assessment process to ensure the tax burden is more fairly distributed between various types of production units. Another collaborative effort of the hatching egg, chicken and turkey boards was the formation of the Joint Venture Group and their work towards an On-Farm Food Safety Program (OFFSP). Funding was secured through a variety of sources and an OFFSP manager was hired to work directly with producers to achieve validation readiness.

The AHEP are part of a Market Development Committee initially started in 2000. The industry stakeholder committee was formed to examine the possibility and feasibility of developing new export and domestic markets. This year the group initiated a Competitive Intelligence Analysis, and the resulting report was presented to industry stakeholders at the Global Awareness Conference held in November.

At the national level, the development of a new Federal-Provincial Agreement was initiated as of March 2001, and discussions are expected to continue well into 2002. Issues include the effect on allocation commitments as a result of broiler hatching eggs coming into Alberta from Saskatchewan and under-production challenges faced by Alberta, based on the current national allocation agreement. This agreement could result in Alberta having a permanent reduction in the national allocation of domestic broiler hatching eggs if its 5.88 percent level of imports is exceeded over a two-year period.

The AHEP were also part of the Intensive Livestock Working Group that served as a forum for sharing information, developing common positions and exploring actions for issues of interest to livestock producers. As a result of discussions on land zoning for livestock operations, environmental farm planning and the role of the National Resources Control Board, the Alberta Government has now approved amendments to the *Agricultural Practices Operation Act*.

The regulations review working group began a review of the *Hatching Egg Plan Regulation* in June 2001. The review, required as part of the Alberta government's regulatory review process, continued throughout the remainder of 2001. A similar consultative review process for the *Hatching Egg Regulation* will be completed before December 2002.

Alberta Pork Producers' Development Corporation

The Alberta Pork Producers Development Corporation (APPDC) provides effective promotion, and effective control and regulation in all aspects of the marketing of Alberta slaughter hogs.

In a February 2001 plebiscite, producers voted 73 percent in favor of revising the legislation to separate Alberta Pork and the Western Hog Exchange. As such, the Alberta Pork Producers Development Corporation (APPDC) moved from being a "marketing board" to a "commission" in August 2001.

APPDC, as a commission, will concentrate its efforts on product promotion, research support, quality assurance, environmental issues, land use, animal care, trade access and economic concerns. The Western Hog Exchange will act as an independent marketer of hogs.

With changing needs for growth, meetings and storage requirements, APPDC decided to move to a new site on the south side of Edmonton. As well, the APPDC changed its year-end from December 31 to August 31.

Canada's pork exports were up more than 11 percent from last year, continuing the upward trend of the past ten years. This growth was a reflection of the success of Canada Pork International, a joint undertaking of the Canadian Meat Council, representing pork packing and trading companies, and the Canadian Pork Council, representing hog producer organizations across Canada.

Marketing programs were targeted at consumers, retailers and food service establishments through television and magazine advertising, displays at trade shows, contests, a consumer toll-free line, Alberta Pork's website, newsletters and restaurant promotions.

As of January 2002, new provincial legislation came into effect that required producers to apply to the Natural Resources Conservation Board for approval to expand existing operations or build new operations. APPDC and other commodities are developing a Beneficial Environmental Practices manual to provide producers with generally accepted management practices to ensure environmental sustainability. APPDC and the Cattle Feeders' Association commissioned two studies to look at the impact of livestock production on air quality.

APPDC also took a leadership role to address ways to improve humane handling of hogs by developing industry guidelines for handling unfit hogs and offering a hog hauling training course. An outbreak of Foot and Mouth disease in Europe prompted the Canadian pork industry to look at ways it might prepare for a disease outbreak. Alberta Pork recognizes that consumer confidence is key to growth in the marketplace. As of September 2001, 74 percent of the provincial sow herd was in production units enrolled in the Canadian Quality Assurance (CQA) program. The CQA program was highlighted in many of the publicity ventures and as a result, APPDC was awarded the Growing Alberta Leadership Award for food safety.

A portion of the $1.00 service charge levied on every Alberta hog marketed for slaughter was allocated for research. To maximize research value, APPDC accessed further matching funding initiatives. Priority was given to research projects that enhanced the producer's bottom line at the production level. Alberta Pork committed one million dollars over five years to the University of Alberta to build a $7 million swine research facility and composting center.

Alberta Pulse Growers Commission

The Alberta Pulse Growers Commission (APGC) provides responsible leadership in the development of a progressive and viable pulse industry in Alberta.

Although prices were much improved, they were offset by drought. Although seeded acres were up from 3 million acres in 2000 to 3.6 million acres in 2001, the yield was only 1.329 pounds per acre compared to 2.060 pounds per acre in 2000. Total production decreased from 2.864 million tonnes in 2000 to 2.175 million tonnes in 2001. Canada is the biggest pulse exporter in the world.

The APGC is committed to continuing agronomic research and projects studying pulse crop diseases, new varieties and maximizing yields. At the Crop Diversification Centre near Edmonton, a wide range of field research was conducted on pulse crops. The research program was divided into field breeding and testing, and agronomic research. The work was done in collaboration with the APGC, Alberta Agriculture, Food and Rural Development and Agriculture and Agri-Food Canada and industry collaborators. The SB2000-2 variety of field peas was found to have excellent powdery mildew resistance and a proposal for registration was submitted in February. New genetic initiatives in lentil and chickpea screening commenced at the Crop Diversification Centre in Brooks.

Several APGC commissioners attended the International Pulse Trade and Industry Confederation Conference in June. They used the opportunity to showcase the Alberta pulse industry. In July, the APGC hosted an agricultural tour for a group of Australian pulse growers.

The APGC continued to help fund Pulse Canada, the international marketing arm of the pulse industry in Canada. The marketing committee made presentations to the Alberta Grain Commission and to the Prime Minister's Task Force on Future Opportunities. Other on-going projects included the Feed Pea Focus newsletter sent to hog producers and the feed industry, Western Nutrition Conference sponsorship and updates to the website at www.pulse.ab.ca.

The APGC used several means to collect and distribute information to Alberta's pulse growers. The Marketing Channels Program collected information from producers to assess how choices were made between the feed market and the human market for peas. A third video was produced and will be ready for distribution to producers in 2002. This video focuses on the production of chickpeas, whereas the first two videos dealt with harvesting, seeding and handling of field peas. *Pulse Crop News* is the official journal of the APGC. It is published quarterly and has a distribution of over 5,000 copies to producers, government and industry involved in the special crops field.

Alberta Sheep and Wool Commission

The Alberta Sheep and Wool Commission (ASWC) initiates, supports and conducts programs to stimulate and improve the economic well-being of the Alberta sheep industry.

The ASWC faced a year of challenges as a result of widespread drought. The shortage of pasture, limited amounts of hay and grasshoppers brought on a major sell-off of breeding stock at record low prices. Although breeding and cull ewe prices were a record low, lamb prices held above last year.

A new initiative was started in 2001 to expand the value chain concept to promote product under the Alberta Lamb trademark. The intent is to provide local retailers and chefs with a desired product that is easily identified under the Alberta Lamb logo. The Alberta Lamb Council (ALC) was set up within the commission and consists of producers, feedlot owners, processors and retailers working together to sell and promote Alberta Lamb within the province. A portion of the ASWC service charge is used to fund the ALC, with the remainder of the funding coming from industry and grants.

A pilot project was launched to test the up-coming On-Farm Food Safety Program that was developed by the national committee. Nine producers participated in the pilot project. The Canadian Sheep Federation (CSF) Technical Committee will be reviewing the results from all the provincial pilot projects and will recommend any revisions to the manual. The program will require Canadian Food Inspection Agency approval before ASWC can proceed with implementation.

National representatives to CSF have been working since 1999 to develop a Mandatory Unique Identification program. Implementation of the program is expected to begin in January 2003. Even though the tagging system will be implemented federally, provincial associations will have the right to determine how the tags will be distributed. The ASWC is planning to sell the tags from their office and add a $1 check-off to the tag.

Several ASWC initiatives were focused on flock health. Eighty-six producers registered with the flock health program and another 94 producers purchased the program's binder of health information. The sheep industry worked in conjunction with the Alberta Bison Centre of Excellence to develop an education awareness campaign to warn bison and sheep producers of the hazards of Malignant Catarrhal Fever and co-production. The ASWC and Alberta Agriculture, Food and Rural Development worked jointly to conduct a Cull Ewe Disease Surveillance Program between April 2001 and March 2002. The survey covered scrapie, Johne's disease, ovine progressive pneumonia, caseous lymphadenitis, mastitis, gastrointestinal parasites and the presence of certain bacteria.

Consumer education continued to play a large role in the ASWC's activities. Staff, directors and sheep groups representing the sheep industry attended fairs, special sales and other special events around the province. The ASWC office, Shepherd's Journal newsletter and website at www.info@absheep.com provided extension and other industry information.

The ASWC also financially supported the Natural Fibre Centre at the Olds College Centre of Innovation. The Centre is working towards making Canadian Natural Fibres more competitive in the national and international market.

Alberta Soft Wheat Producers Commission

The Alberta Soft Wheat Producers Commission (ASWPC) develops and implements projects and programs to increase and improve production, promotes research and improves the marketing of Alberta-grown soft white spring wheat.

A second year of drought was devastating for producers, the industry and the ASWPC. From a high of 485,000 acres in 1985, seeded acres fell to a low of 25,600 acres in 2001.

The reduced acres resulted in a dramatic drop in operating revenue and consequently, a net loss for the ASWPC. An agreement was made with the Southern Alberta Food Processing Consortium and the ASWPC to share administrative functions. Operating expenses were cut and director's expenses were eliminated. The commission is looking for producer support to increase the service charge from $0.50 per tonne to $1.00 per tonne to generate enough revenue to keep the commission operational.

With producers' participation in the Western Grains Research Foundation (WGRF), the majority of research funding now comes from the WGRF. The foundation provided $60,000 for soft wheat research, which was matched by another $60,000 from Agriculture and Agri-Food Canada. As such, the ASWPC was able to reduce its research budget by half.

Research continued under the Soft Wheat Breed Program at the Research Centre in Lethbridge. The new AC Nanda variety, suitable for the soup thickener and pastry markets, will replace the Fielder cultivar that will be deregistered on August 1, 2002. The new varieties of semi-dwarf soft spring wheat emerging from the breeding program are showing impressive yield rates. AC Andrew will be available for commercial production in the spring of 2003 and will be suitable for the export market. It is expected to bring a much-needed boost to the soft wheat industry. SWS-285 should be ready for commercial production in 2005 and will serve the pastry markets, while AC Meena will be suitable for both soup thickener and pastry markets.

Public relations efforts of the ASWPC are directed towards producers, the grain trade, the various government and regulatory agencies and the general public. Despite budget constraints, the ASWPC maintained their commitment to keep producers informed through meetings and a newsletter. Once again, the ASWPC operated a booth and helped to sponsor the Pedigreed SWS Wheat Class at the Seed Fair at AG Expo and kept local and regional media informed of issues affecting soft wheat producers.

The ASWPC continued to provide input into crop insurance evaluations and maintained ties with Alberta Agriculture, Food and Rural Development and Agriculture and Agri-Food Canada. As well, the ASWPC continued to have representation on the Western Grains Research Foundation (which administers the check-off for research) and on the Prairie Registration Recommending Committee for Grain (which approves the licensing of new varieties).

The ASWPC was successful in its lobby efforts for an increase in the price of domestic soft white spring wheat, which is forecast to provide approximately $1.5 million of increased income to soft wheat producers for the 2001 – 2002 crop year. The ASWGC is optimistic that with higher prices and higher yielding varieties becoming available, acreage will increase.

Alberta Sugar Beet Growers

The Alberta Sugar Beet Growers (ASBG) negotiates prices to be paid to producers, allots production quotas and aims to improve and increase the production and marketing of sugar beets.

The 2001 growing season was marked by heat, wind and drought. While the average precipitation during the growing season is around 278 mm, only 139 mm were received in 2000, followed by a meager 110 mm in 2001. Due to the drought of 2000 and poor snow pack in the mountains, the irrigation districts put a plan in place to ration water.

Only 30,236 acres were planted, down from 42,422 in the previous year. Over 2,500 acres were replanted due to lack of moisture and windy conditions. When harvest was completed, the average yield was 18.38 tonnes per acre, down from 21.9 tonnes the previous year. The harvest totaled 523,110 tonnes, a huge decline from the 920,252 tonnes harvested in the previous year.

The master agreement that the Board signed with Rogers Sugar Ltd. in 1997 concluded with the delivery of the 2001 crop. Discussions for a new contract began in August and continued into the 2002. Trade concerns were another focus of the board following Canada's free trade deal with Costa Rica. Meetings were held with provincial and federal government officials to discuss industry concerns regarding the impact of the Canada – Costa Rica Free Trade deal, the next round of WTO trade negotiations, electrical deregulation, high natural gas prices, effects of the drought and poor returns to growers over the past three years.

The ASBG started a regulatory review process in 2001. The review, required every five years, included consultations with the processor and two consultations with the growers. The board expects to have the consultation process and review completed by summer of 2002.

Board members represented growers at the Alberta Safety Nets Coalition, the Alberta Agricultural Forum, Wild Rose Agricultural Producers, the Southern Alberta Food Processors Initiative Consortium, the Classroom Agriculture Program, the National Sugar Caucus meetings and the Alberta Irrigation Projects Association annual meeting. They also attended meetings of the Agricultural Financial Services Corporation, the Global Alliance for Sugar Trade Reform and Liberalization, the Canadian Agri-Food Trade Alliance and the Canadian Federation of Agriculture.

Research fees of $66,701 or 7.25 cents per tonne of beets were paid from the general service charge for research. Experiments took place at Taber and Vauxhaull and included testing of 34 varieties, with three second-year varieties on track for approval and one third-year variety approved for use in 2002. Tests, conducted in commercial fields, were done on a number of herbicides and for nitrogen management in sugar beet rotation.

The Canada – Alberta Sugar Beet Industry Development Fund supported studies on Shoulder Coverings, By-Products and Contract Issues Facing Alberta Producers, Use of Sugar Beets in Feedlot Rations and Development of Quota Tracking Software for the ASBG office. The fund was also used to cover the costs of attending a Sugar Beet Symposium in Montana and a organizing a grower workshop.

Alberta Turkey Producers

The Alberta Turkey Producers (ATP) regulate the production of turkey, allot production and marketing quotas, educate consumers and represent producers at national agency meetings.

Alberta produced 14,287,107 kilograms of turkey in 2000 - 2001. The amount was slightly under allowable production due to some misfortunes occurring on several farms. As a result of being under marketed, the province did not use any of the earned export credits, which in turn helped reduce overall inventories.

Grower prices improved slightly in the early part of 2001, partially reflecting increases in producer costs. The Alberta turkey industry has experienced price stability over the last three years. Feed prices were $269 per tonne at the beginning of the year and increased by $30 per tonne over the course of the year, an increase of 11 percent.

The turkey industry, in its united approach with Alberta Farm Animal Care (AFAC), addressed a number of animal welfare issues. AFAC members worked with Alberta Agriculture, Food and Rural Development and the Alberta Society for the Prevention of Cruelty to Animals to review Alberta's Livestock Protection System. The industry lobbied for and supported changes to the animal cruelty provisions in Canada's criminal code. AFAC continued to address ways to improve humane handling of farm animals on the farm and in transportation to marketplace.

Consumer and marketplace expectations on the care, housing, transport and slaughter of animals continued to be a growing issue. Through AFAC, the turkey industry responded by including a component on animal welfare in their promotion and consumer education activities.

The ATP entered into a joint venture with the Alberta Chicken Producers and the Alberta Hatching Egg Producers to assist growers in preparation for certification under the new On-Farm Food Safety Program. A consultant was hired to develop and oversee a training program over the next two years.

The ATP renewed for another 5-year period, its commitment to fund the Poultry Research Centre in Edmonton. The board agreed to increase the yearly funding contribution from $10,250 to $11,500 starting with the fiscal year 2002 - 2003. The funding is part of an industry, university and government initiative to ensure Alberta poultry producers have access to some of the best researchers in North America.

The marketing focus was on public education. Whenever possible, the ATP tied its promotional activities into the national Turkey Tuesday campaign.

The Classroom Agriculture Program was presented to over 21,000 grade 4 students in 563 schools. Other education promotion activities included agri-experience programs at trade shows, a one-day seminar to show teachers how to incorporate agriculture into their curriculum, providing Heart/Smart brochures at the Careers and Technology Studies conference and providing incentive materials for the school nutrition program.

The ATP was a presence at food service shows, sponsored food related events such as the Alberta Food Producers Feastival of Fine Chefs and Growing Alberta's Harvest Gala. The Alberta and B.C. boards worked together to produce a new recipe booklet *Fresh Ideas for Turkey*.

Information was also distributed through the bi-monthly newsletter, *Wishbone*, and the website at www.abturkey.ab.ca.

Alberta Vegetable Growers (Processing)

On behalf of the producers of vegetables grown for processing, the Alberta Vegetable Growers (Processing) (AVGP) negotiates prices and the terms of an annual agreement with processors.

For a second year in a row, southern Alberta was affected by drought and a shortage of water that resulted in water rationing. Seeding was delayed, emergence was uneven, crops were stressed and some crops were not harvested.

The pea harvest yielded an average of 1.81 tonnes per acre on 3,252 acres harvested of the 3,542 acres seeded. The average yield for organic peas was 0.77 tonnes per acre, with only 355 acres harvested of the 425 acres seeded. There were 3,556 acres of corn seeded and 3,106 acres harvested with an average yield of 6.26 tonnes per acre. Growers seeded 436 acres of organic corn and the 386 acres harvested yielded an average of 3.15 tonnes per acre. The dicer carrot yield increased from an average of 16.5 tonnes per acre in 2000 to 21.5 tonnes per acre in 2001.

Representatives for the AVGP and Lucerne Foods negotiated a new price agreement to cover the 2001 and 2002 crops. As part of the agreement, Lucerne Foods upgraded the raw product receiving and the corn processing line. Producers responded to these improvements and increased the seeded acres for peas and corn by 30 percent in 2001. The prices for peas, carrots and corn remained the same as the previous year, however, all three commodities will receive a price increase in 2002.

The Negotiating Agency also agreed on revisions to the by-pass funds. The fees increased from 1 percent equal contributions from the producer and processor to 1.6 percent each for corn and 1.75 percent each for peas to reflect the net price contract. For the 2001 crop, the AVGP had crop insurance in place that qualified by-passed acreage for spot loss insurance. The AVGP hopes that this change will lead to less pressure overall on the fund balances and to more consistent returns for producers.

In the area of pest control, the AVGP supported a monitoring project for the European Corn Borer (ECB) moth. The traps and lures that were set out in 39 corn fields proved to be quite effective. Trap catches of the ECB moths in 2001 showed that moth population levels in 2001 were among the lowest since the trapping program began in 1992.

Board members represented the AVGP at meetings of the Canadian Horticultural Council, Prairie Pesticide Minor Use Consortium, North American Processing Vegetable Conference, Southern Alberta Food Processing Initiative Consortium, Wild Rose Agricultural Producers and the Alberta Safety Net Coalition. The Board also participated in the NISA Review initiated by the federal government.

Alberta Winter Wheat Producers Commission

The Alberta Winter Wheat Producers Commission (AWWPC) develops and implements projects and programs to increase and improve production and marketing of Alberta-grown winter wheat.

The annual meeting was held in conjunction with FarmTech for a second year because the AWWPC felt it provided opportunities for winter wheat growers to exchange information with potential growers and agricultural resource people.

The AWWPC is funded by a levy on winter wheat marketed to Canadian Wheat Board (CWB) agents. Revenue declined dramatically due the drought conditions experienced in southern and eastern Alberta. The dry fall conditions reduced the number of seeded acres and yields were lower because of dry conditions during the growing season. A shortage of grain meant high prices in the feed market and a large percentage of winter wheat was sold for feed rather than to the CWB.

With less revenue to work with, the AWWPC downsized their office and contracted out management functions. They also reduced the number of issues of the *Germinator* newsletter from three to two a year.

Ducks Unlimited Canada has been an on-going supporter of the winter wheat industry. With the financial support given by Ducks Unlimited Canada, the AWWPC was able to fund a number of promotions and projects.

The AWWPC convinced the CWB to initiate a new contract program for preferred quality winter wheat. Five winter wheat varieties qualified for the program and another three are expected to qualify next year. The AWWPC was actively involved with the CWB in looking for better Identity Preserved winter wheat and a program to get the feed and milling wheats segregated. The AWWPC plan to continue to lobby the CWB for special crop status plus a separate pool account with pricing nearer numbers one and two Red Spring Milling wheat.

Research was conducted at the Lethbridge and Lacombe Research Stations. Plant breeders worked on winter hardiness, higher yields and better protein. Work was also done on snow mold, leaf and stem rust resistance, leaf curl mite and Russian aphid resistance. The AWWPC continued to send a representative to the Western Grains Research Foundation and to co-operate with the Saskatchewan-based Winter Cereals Group of Canada and Crop Development Centre.

Potato Growers of Alberta

The mission of the Potato Growers of Alberta (PGA) is to create success in Alberta's potato industry by supporting sustainable production, marketing, development and co-operation.

In 2001, acreage more than doubled to 51,000 acres. The potato growing areas in Alberta include the irrigated areas around Lethbridge, Taber, Vauxhaull, Bassano and Brooks. Seed potatoes are grown predominantly in the Edmonton and Lacombe areas. Over 50 varieties of potatoes are grown in Alberta with the Russet Burbank variety making up about 40 percent of the acres planted for table and processing potatoes.

Unfortunately, frost affected the crops and changed the expected surplus to a situation where Alberta's processing plants ran short of potatoes over the winter. To make up for the shortfall, they applied for a ministerial exemption to let them import from Washington state. Manitoba blocked the import because they had potatoes to fill this market. This was perceived by Washington as unfair trade and has affected the Alberta seed potato business with its Washington customers.

The PGA worked cooperatively with Alberta Agriculture, Food and Rural Development (AAFRD), industry and municipal representatives to develop and implement an action plan to deal with Bacterial Ring Rot (BRR). Through the development of the BRR Action Plan, a facility was set up at AAFRD's Crop Diversification Centre in Brooks for the purpose of providing diagnostic services to the Alberta potato, horticultural and row-crop industries.

Following several years of frost damage, the PGA and its crop insurance committee worked with AFSC to bring changes to the crop insurance program for 2001. The committee also worked with AFSC to refine insurance coverage relating to BRR and other diseases.

On-going research projects included the irrigated cropping study for sustainable management, storage disinfectants, phosphorus requirements of potatoes and the development of microbial control as a component of insecticide resistance management of the Colorado potato beetle. New research projects approved in 2001 will look at Russet Burbank vine management, influence of potassium fertilizer on specific gravity in Russet Burbank potatoes and the Potato Purple Top and Witches-Broom diseases.

This past year was much better for the Alberta Seed Potato Growers Association (ASPGA) than 2000 as growers were able to harvest a blight-free and frost-free crop. The Alberta seed grown in Mexico has done well and the PGA feels the challenge will be to retain and expand the Mexican market.

The ASPGA, along with representatives from the other western provinces formed a committee to look at different options for doing post-harvest testing. The test trials will be sent to Hawaii rather than California.

The PGA is in the process of developing a Best Management Practices protocol for all aspects of potato production.

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